



Office of Administration *Strategic Plan*

October 1, 2001



The Office of Administration shall be recognized for its leadership role in performing administrative services and establishing administrative standards in a manner that is efficient, effective, and customer-focused.



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Vision and Mission

Vision

The Office of Administration shall be recognized for its leadership role in performing administrative services and establishing administrative standards in a manner that is efficient, effective, and customer-focused.

Mission

The Office of Administration performs administrative services and establishes administrative standards for state agencies, our primary customers, helping them fulfill their missions.





Values

We recognize our **LEADERSHIP** role in providing **EFFECTIVE** and **RESPONSIBLE** government to the citizens of Missouri.

We value:

- **excellence in performance**
- **efficiency and accountability in government**
- **continuous improvement in operations**

We will be **RESPONSIVE** to the needs of our customers.

We value:

- **consistently high quality service to customers**
- **timely, easy to use service**
- **rewards based on performance results and customer satisfaction**

We will perform our responsibilities with **INTEGRITY** and **PROFESSIONALISM**.

We value:

- **participation in public service**
- **high professional and ethical standards**
- **fair and open government**

We are committed to **PERSONAL GROWTH** and **ORGANIZATIONAL DEVELOPMENT** and will seek ways of constantly expanding our capabilities.

We value:

- **each employee and their contribution to the success of OA**
- **a competent, skilled organization**
- **continuing personal and professional development**

We recognize the benefits of **DIVERSITY** in our workforce and will continue efforts in recruitment, promotion and retention toward this goal.

We value:

- **the worth and dignity of each member of our organization**
- **respect for our differences**
- **maximizing the potential of our workforce**



Executive Summary

Key Outcomes:

- 🔑 Increased customer satisfaction
- 🔑 Reduced cost of services
- 🔑 Fair representation of all citizens in government workforce and purchasing
 - Measure:** Percent of minority and women state employees earning in the top quartile
 - Measure:** Percent of state government purchases from minority and women business enterprises

Key Objectives:

- 🔑 Decrease the amount of unscheduled downtime for the SAM II Financial and Human Resources systems to 2% by FY 2002 and 1% by FY 2003
- 🔑 Decrease the operating costs of the SAM II Financial system from \$1.42 million in FY 2001 to \$1 million by FY 2004 and decrease the operating costs of the SAM II Human Resources system by \$100,000 annually through FY 2004
- 🔑 Reduce the time to hire state employees
- 🔑 Increase annually the percentage of minority and non-minority female employees in OA with salaries in the top quartile with the objective of reaching parity in employment

Key Systems:

- 🔑 Personnel Registers
- 🔑 Employee Classifications
- 🔑 Compliance Function
- 🔑 Fleet Management



Key Outcome: Increased Customer Satisfaction

Measure

The Office of Administration is in the process of developing customer satisfaction objectives around key divisional programs and processes. Once these objectives are developed and performance measurement data are collected, OA will determine whether there is value in aggregating these data into an overall customer satisfaction outcome measure. At a minimum, OA will analyze the performance data from these objectives to determine if there are common trends, concerns, or best practices.

Why This Measure is Important

OA is the administrative agency that all other departments must rely on. If OA services don't meet customers' needs or are slow, expensive, or unbending, departments will be constrained in achieving their missions. In addition, when departments don't get the quality services they need from OA, they often set up costly parallel systems.

Identifying customer satisfaction objective measures for key OA programs and processes, tracking performance on those measures, and then developing targets and strategies for improvement is critical in order for OA to become an administrative agency that assists rather than hinders other departments in fulfilling their missions.

Methodology for Creating the New Customer Satisfaction Measure

The following methodology is being used to develop customer satisfaction objectives around key divisional programs/processes.

➤ **Identify Key Programs/Processes**

- Divisions will identify the most important things they do.
- Guidelines will be developed to help with prioritization (cost, volume, impact, etc.).

➤ **Develop Objectives based on Customer Expectations**

- Divisions will develop objective measures for these key programs/processes based on customers' expectations (focus groups and survey data will be used to assist in the development of these objectives).

➤ **Achieve Results**

- Divisions will collect historical data on objective measures and develop targets and strategies for improvement.
- Divisions will include customer satisfaction objectives in their Divisional Plans.

Examples of Key Divisional Customer Satisfaction Objectives

- 🔑 Reduce the long distance rate billed to state agencies by \$.0123 (from \$.0774 per minute in FY 2001 to \$.0651 per minute in FY 2002)
- 🔑 Decrease by 5% (from 378 total contract changes in FY 2001 to 359 in FY 2002) the number of construction contract changes necessary because of owner requests, design errors, and design omissions
- 🔑 Decrease by 10% (from 23 days behind schedule in FY 2001 to 20 days in FY 2002) the average number of days' variance between the target bid dates and actual bid dates for construction designs projects in FY 2002
- 🔑 Reduce the median number of days to process workers' compensation payments from 67 to 45 days by June 30, 2002
- 🔑 Increase from 2.55 to 2.75 the grade point average of the condition of state facilities and from 2.21 to 2.35 the grade point average of housekeeping in state facilities by July 2002



Key Outcome: Reduced Cost of Services

Measure

The Office of Administration is researching possible ways to measure its efficiency at an aggregate level. Once this measure is developed, the strategic plan will report on how efficiently the department is being operated. In addition to tracking overall efficiency, it is also important to drive efficiency down through the organization. Each OA division is therefore developing their own targets for increased efficiency. Examples of those efficiency objectives are included below.

Why This Measure is Important

It is important that OA, which provides administrative services or “overhead costs” to other departments, be as efficiently run as possible. Saving money on administrative costs will allow the State of Missouri to enhance other services that more directly impact Missouri citizens. While reducing the costs of OA services is critical, it is important to ensure that the quality of OA services doesn’t deteriorate. The first outcome in OA’s strategic plan, Increased Customer Satisfaction, will help to ensure that quality doesn’t suffer when costs are reduced.

Examples of Key Divisional Efficiency Objectives

- 🔑 Reduce workers’ compensation indemnity expenditures from \$2.5 million to \$2.0 million by June 30, 2003
- 🔑 Reduce Division of Information Services SAM II report costs 30% by June 30, 2002 and 60% by June 30, 2003
- 🔑 Reduce operational costs of state facilities from a 2001 rate which is equal to industry standards to an ongoing rate which is 5% below industry standards
- 🔑 Maintain a State Data Center Cost Allocation Plan within 5% of the preceding fiscal year’s Cost Allocation Plan beginning July 1, 2001



Key Objective:

Decrease the amount of unscheduled downtime for the SAM II Financial and Human Resources systems to 2% by FY 2002 and 1% by FY 2003

Why This Measure is Important

The SAM II system is key to the effectiveness and efficiency of all OA customers. It is critical that SAM II meets the needs of our customers in the most user-friendly way possible. With the implementation of the SAM II Financial and Human Resources systems, agencies have on-line, real-time access to process vendor payments and enter employee payroll information. Through a data warehouse, agencies can also access financial and human resources data and generate predefined or customized reports. While the on-line, real-time access is a great benefit for state agencies, it is also critical that the SAM II system and data warehouses are available as much as possible. System availability was the top priority identified by OA customers in recent SAM II focus group meetings.

Trend Analysis

The SAM II Financial system was implemented in July 1999. The SAM II Human Resources system was implemented in phases beginning in November 2000 and ending in June 2001. System downtime information has not been tracked previously. It will be tracked beginning in FY 2002.

Although downtime has not been formally tracked, system administrators are aware of several past system availability problems. There were problems during June with SAM II Financial either not being available or system response being very slow due to the State Data Center mainframe reaching its capacity. To correct this problem, the State Data Center upgraded the mainframe to increase its capacity in July. SAM II HR had serious availability and response problems the first week in July with fiscal year end processing and a shortened time frame to enter time and leave due to the 4th of July holiday. Also, the paycycle is not always finished running by 7:00 a.m. as scheduled. Being aware of and correcting for these past problems will help in ensuring that the SAM II Financial and HR systems are available as often as possible in the future.

How Missouri Compares to Others

Not applicable – Other states and local governments are structured differently. It is difficult to find another public entity with statewide financial and human resources systems similar in size and organizational structure to compare to.

Factors Influencing the Measure

- Budget constraints and system operating costs may impact the ability of OA to increase or maintain current system availability.
- State Data Center capacity can negatively impact SAM II downtime.

What Works

Fine-tuning and optimization of SAM II Financial system programs and jobs has helped to decrease the nightly cycle processing time and resulted in SAM II Financial being available at 7:00 a.m. as scheduled. Some fine-tuning and optimization has been done with SAM II HR as well to reduce paycycle processing time. However, additional fine-tuning is necessary since the regular paycycle routinely runs past 7:00 a.m. and results in unscheduled downtime for SAM II HR.

Data Table

| | Historical | | Target | | |
|---|------------|------|--------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Percentage of unscheduled downtime for SAM II | N/A | N/A | 2% | 1% | 1% |

Description of Measure

The percentage of unscheduled downtime for SAM II is calculated by dividing the total hours of unscheduled downtime in a fiscal year by the total number of hours that SAM II is scheduled to be available. SAM II Financial is scheduled to be available from 7:00 a.m. to 6:00 p.m. Monday through Saturday, except during the first week of the new fiscal year. There is a separate schedule of system availability published for the first week of each fiscal year. SAM II HR is available from 7:00 a.m. to 6:00 p.m. Monday through Saturday, except for one day each paycycle (2 days per month) when the regular paycycle is running.

Key Strategies

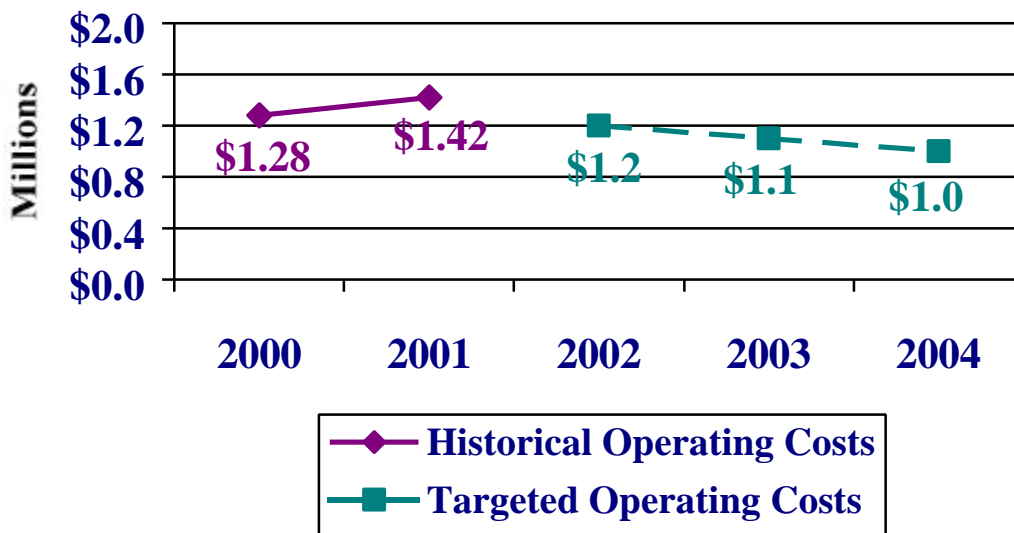
- 🔑 Fine-tune or optimize payroll cycle processing so that the HR system is only down one work day (as scheduled) for regular paycycle.
- 🔑 Continue to monitor SAM II Financial nightly cycles to identify long-running jobs for potential fine-tuning and also ensure abends are minimized and resolved efficiently.
- 🔑 Analyze SAM II Financial and HR tables and files to purge unneeded data and filter other data so the system operates efficiently.
- 🔑 Review and revise fiscal year end processing schedules to minimize unscheduled system downtime for agency users.



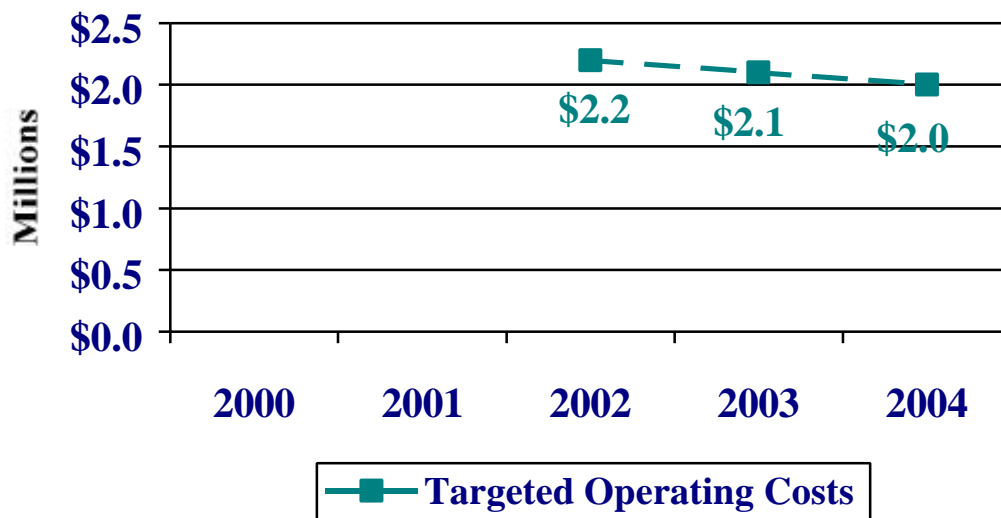
Key Objective:

Decrease the operating costs of the SAM II Financial system from \$1.42 million in FY 2001 to \$1 million by FY 2004 and decrease the operating costs of the SAM II Human Resources system by \$100,000 annually through FY 2004

SAM II Financial Operating Costs



SAM II Human Resources Operating Costs



Why This Measure is Important

The SAM II system is key to the effectiveness and efficiency of all OA customers. The SAM II system provides additional functionality over the previous financial and payroll systems and has replaced numerous agency legacy systems. However, providing on-line, real-time statewide financial and human resources systems and data warehouses has resulted in increased ongoing operating costs for OA. Meeting customer expectations must be balanced with the increased costs of operating SAM II.

Trend Analysis

The SAM II Financial system was implemented in July 1999. The SAM II Human Resources system was implemented in phases beginning in November 2000 and ending in June 2001. SAM II Financial operating costs are available beginning in FY00. SAM II Human Resources operating costs are not available until FY02 since the last agencies were converted to SAM II HR in June 2001.

How Missouri Compares to Others

Not applicable – Other states and local governments are structured differently. It is difficult to find another public entity with statewide financial and human resources systems similar in size and organizational structure to compare to.

Factors Influencing the Measure

Agencies are requesting more enhancements, additional functionality and additional information in the data warehouses. These changes will result in increased operating costs.

What Works

Fine-tuning and optimization of SAM II Financial system programs and jobs has helped to decrease the nightly cycle processing time and reduce operating costs. Some fine-tuning and optimization has been done with SAM II HR as well to reduce paycycle processing time. However, additional fine-tuning is necessary especially in the HR General Ledger interface programs to reduce SDC charges. Policy and procedural changes, such as providing reports electronically rather than printing, also helps to reduce costs.

Data Table

| | Historical | | Target | | |
|---------------------------------|----------------|----------------|---------------|---------------|---------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Financial Operating Costs | \$1.28 million | \$1.42 million | \$1.2 million | \$1.1 million | \$1.0 million |
| Human Resources Operating Costs | N/A | N/A | \$2.2 million | \$2.1 million | \$2.0 million |

Description of Measure

These measures are the annual amounts of State Data Center charges incurred by OA for operating SAM II Financial and HR systems.

Key Strategies

- 🔑 Fine tune or optimize payroll cycle processing and HR General Ledger interface programs.
- 🔑 Continue to monitor SAM II Financial nightly cycles to identify long-running jobs for potential fine-tuning.
- 🔑 Analyze SAM II Financial and HR tables and files to purge unneeded data and filter other data so the system operates efficiently.
- 🔑 Develop a data retention strategy to balance the agencies' need to access information with the costs of loading, maintaining and storing the data. Also, pursue other less costly alternatives for storing data (i.e., CD vs. microfiche).



Key Objective: ***Reduce the time to hire state employees***

Measure

The Office of Administration is currently holding focus group meetings to determine customer expectations and develop objectives relating to the process of hiring state employees. Objectives will be set to better meet customer expectations and to operate the system more efficiently. Specific strategies will be developed and implemented to achieve those objectives.

Why This Measure is Important

In order for departments to provide the best service to Missouri citizens, they must have a qualified workforce. OA's hiring processes and procedures must be streamlined and made more customer friendly for this to happen. Agencies should be able to hire, in a timely manner, the most qualified candidate for each job. By targeting the process of hiring a state employee, OA hopes to both increase the satisfaction of its customers and to make the hiring process more efficient. This key objective therefore supports two outcomes in OA's strategic plan – increased customer satisfaction and decreased cost of services.

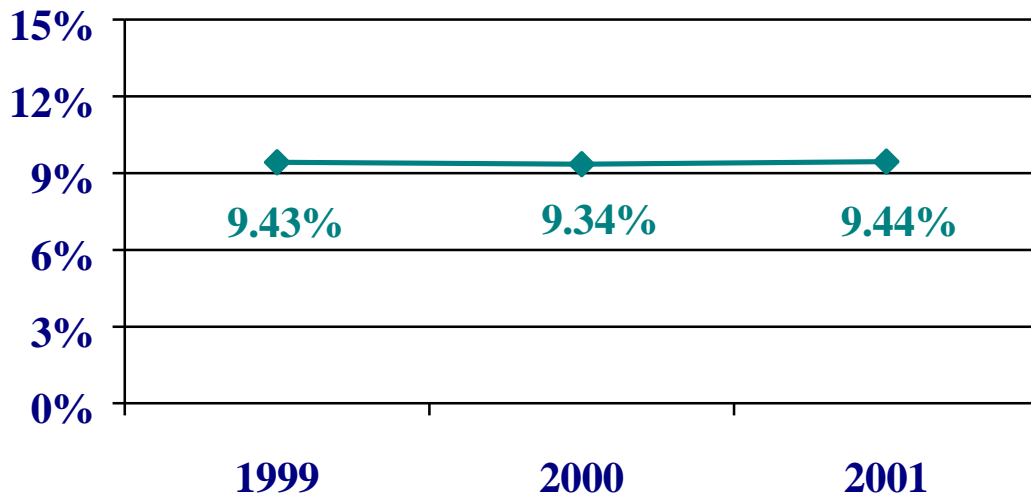
Desired Results for the State's Hiring Process

- People being able to apply for a state job with ease
- State agencies being able to hire who they need in a timely manner
- A hiring system that isn't driven by a few bad apples
- A more user-friendly hiring system that allows for agency flexibility
- A hiring system grounded in best practices
- A customer-friendly environment with fewer complaints
- Buy-in to the process by all agencies

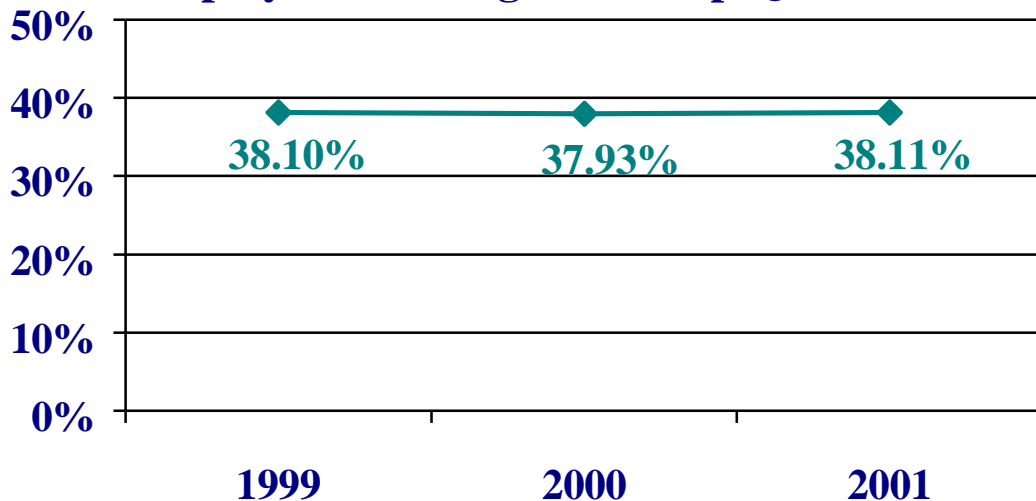


Key Outcome:
Fair representation of all citizens in government workforce and purchasing

Percent of Minority State Employees Earning in the Top Quartile



Percent of Non-Minority Women State Employees Earning in the Top Quartile



Why This Measure is Important

- Diversity in management and other professional positions provides a balanced perspective in state government decision making.
- When citizens using state services see diversity in the state's workforce, it increases the credibility and confidence in state government.
- Diversity in state government management and other professional positions provides opportunities for promotion and advancement for minorities and women and increases the economic base of disadvantaged groups.
- Achieving true diversity in employment, at high as well as lower paid positions, will affirm the value of all employees.
- It is important for the state to take a leadership role in equal opportunity.

Trend Analysis

The percent of minority state employees earning in the top quartile has changed little over the three years it has been tracked, hovering at just under 9.5%. Based on the availability of minorities in Missouri's labor force (provided by the 1990 census data), this percentage is under the parity rate of 12%. 2000 census labor workforce statistics will be available soon. It is anticipated that the percentage of minorities in Missouri's workforce will be greater than 12% making our current rate of 9.5% even farther away from parity.

The percent of non-minority women state employees earning in the top quartile has also remained relatively steady at approximately 38%. Based on the availability of non-minority women in Missouri's labor force (provided by the 1990 census data), this percentage is under the parity rate of 40%. 2000 census labor workforce data will be available soon and we will be able to update this comparison to parity.

How Missouri Compares to Others

Comparable data are not currently available.

Factors Influencing the Measure

- The availability of qualified minority and women candidates in the top quartile positions impacts the measure. This is particularly true for high paid technical positions where there may be fewer qualified minority and women candidates.
- The geographic location of available jobs impacts the measure. Most of the top quartile state government jobs are located in Jefferson City, while the largest pool of qualified minority and women candidates live in the larger metropolitan areas. Some of these candidates can't be enticed to move to central Missouri.
- Competition from the private sector, which is also interested in hiring more minority and women employees, lessens the number of minorities and women who will take positions in state government. The top minority and women candidates have many options outside of state government.
- The salary levels in state government also influence the measure. While state government benefits are very competitive, state salaries often are not. This makes it more difficult to persuade minority and women employees to relocate to Jefferson City from another area or to leave the private sector for a state job.

- In tight economic times, when there are fewer people switching jobs, there are not as many top quartile positions which open up and therefore fewer opportunities to hire minority and women employees in top quartile positions. In strong economic times, the reverse is true.
- One factor that has positively influenced the measure is the recent early retirement incentives the state has enacted. The vacancies created by those retiring (many in the top quartile) provide an excellent opportunity to diversify the state's workforce.

What Works

- Holding departments accountable for the diversity in their top quartile positions is critical to achieving greater parity in management and other professional positions. In order to do this, there must be strong support and encouragement from state government leadership.
- In order to hold departments accountable for the level of diversity in their departments, it is important to accurately measure and widely report the number and percentages of minority and women state employees in the top quartile.
- Mentoring programs have shown to be a good way to assist interested and qualified minority and women candidates in moving into progressively higher level positions. Mentoring minority and women employees currently in the 3rd quartile is particularly effective.
- The more competitive state salaries are, the better chance the state has of attracting quality minority and women employees.
- Increased flexibility in hiring choices, salaries, and classifications of employees makes it easier to attract and hire minorities and women into top quartile positions.

Concerns

- The current tight budget situation the state is in will allow for less flexibility in salaries and will likely result in fewer top quartile vacancies.

Other Sources of Information

- State/local government equal employment opportunity programs
- Census data
- www.workforce.com
- www.diversityinc.com
- www.hrexecutive.com
- www.governing.com

Data Table

| | 1999 | 2000 | 2001 |
|---|--------|--------|--------|
| Percent of minority state employees earning in the top quartile | 9.43% | 9.34% | 9.44% |
| Percent of non-minority women state employees earning in the top quartile | 38.10% | 37.93% | 38.11% |

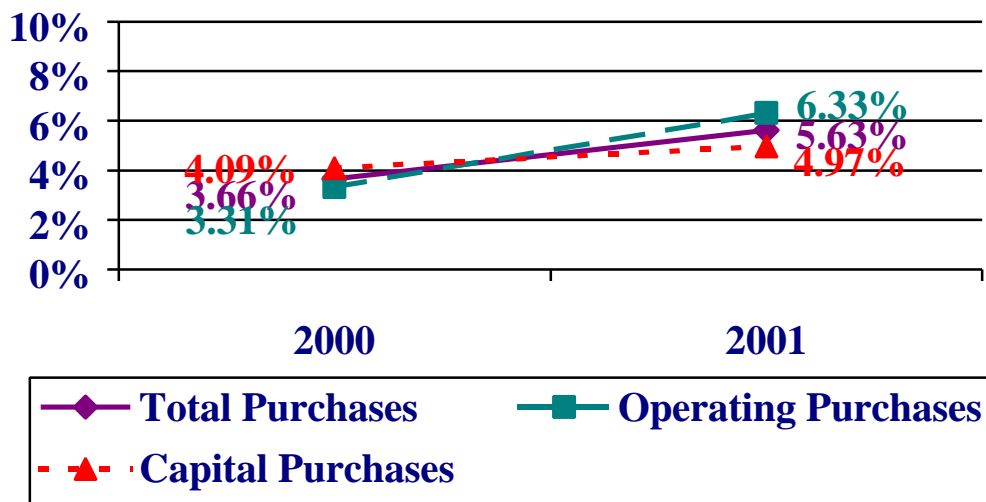
Description of Measure

The percent of minority and non-minority women state employees earning in the top quartile is calculated by placing all state employees in order by salary and then dividing those employees into approximately four quartiles based on salary (the divisions are not exact quartiles as multiple employees may make the same salary). Within the quartiles, the employees are broken out by race and gender. The number of minority (women) state employees in the top quartile is divided by the total number of employees in the top quartile to arrive at the percent of minority (women) state employees earning in the top quartile.

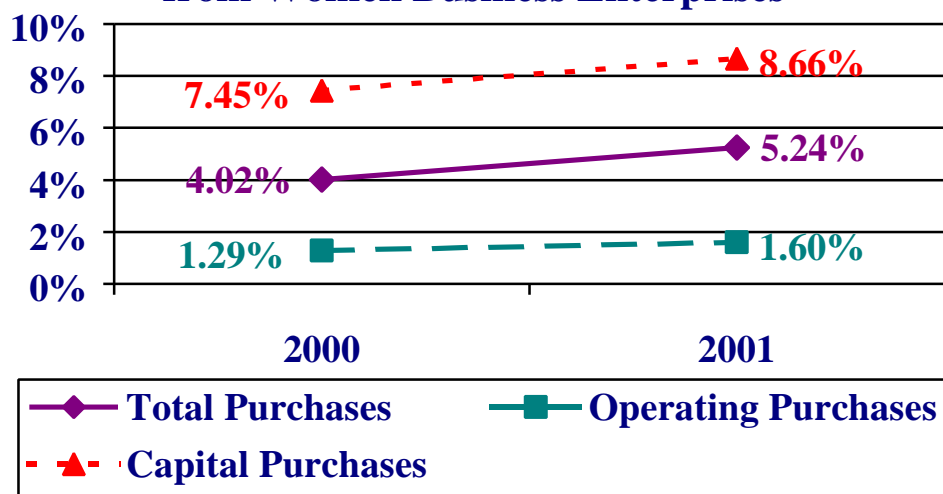


Key Outcome:
Fair representation of all citizens in government workforce and purchasing

Percent of State Government Purchases from Minority Business Enterprises



Percent of State Government Purchases from Women Business Enterprises



Why This Measure is Important

- When the state purchases goods from Minority and Women Business Enterprises (M/WBEs), it increases the economic base of disadvantaged groups and allows for the growth of M/WBEs.
- The growth of new M/WBEs increases the number of viable vendors the state can choose from. This increased competition results in better market prices.
- When citizens see that the state buys from all rather than just a few business types, it increases the credibility and confidence in state government.
- It is important for the state to assume a leadership role in M/WBE programs.

Trend Analysis

The percentage of state government operating purchases from MBEs rose sharply from FY 2000 to FY 2001 (from 3.31% to 6.33%) due in large part to World Wide Technology, an MBE, becoming the prime vendor for computer purchases. The percentage of operating purchases from WBEs also rose but not nearly as dramatically (from 1.29% to 1.60%). Capital improvement purchases have risen slightly for both MBEs and WBEs from FY 2000 to FY 2001 (from 4.09% to 4.97% for MBEs and from 7.45% to 8.66% for WBEs). The percent of overall state government purchases from M/WBEs has also risen, reflecting both the operating and capital improvement increases.

How Missouri Compares to Others

Comparable data are not currently available.

Factors Influencing the Measure

- M/WBE participation rates can vary depending on the number of significant capital improvement/operating projects budgeted each year.
- The geographic location of capital improvement and operating contract opportunities impacts the measure. If contracts are in the larger metropolitan areas, there are more opportunities for M/WBE participation. Large contracts in outstate Missouri, prisons for example, can have limited opportunities for M/WBE participation.
- The number of certified M/WBEs impacts the measure. The larger and more varied the number and type of certified M/WBEs is, the better opportunity agencies will have to purchase goods/services through M/WBEs. It is important to have not just a large number of certified M/WBEs but to have certified vendors in different geographic areas and for different types of goods and services. For example, although there are a number of state offices in Springfield, there are few certified M/WBEs in the Springfield area and so limited opportunities for those offices to purchase goods from M/WBEs. Also, if there are no certified vendors for certain types of goods/services, agencies have no opportunity to buy from an M/WBE firm – even if they want to.
- The economy also influences the measure. In strong economic times, it is easier for firms, M/WBEs included, to start up and thrive. In addition, the state has more money to spend and more discretion in how it is spent. In a weak economy, the reverse is true.
- The Office of Equal Opportunity (OEO), through its certification of M/WBE vendors, and the Division of Purchasing, through its M/WBE contracting and subcontracting, are both critical to the success of the M/WBE program.

- Executive Order 98-21, Chapter 34 RSMo and CSR 10, the Executive and Legislative branch authorizations for the M/WBE program, have had a significant influence on the success of the state's M/WBE participation goals.

What Works

- Holding departments accountable for their M/WBE participation rates is critical to the success of M/WBE programs. It is important to have both the support of leadership and to stress to department employees with purchasing decisions the importance of doing business with M/WBEs.
- In order to hold departments accountable for the level of M/WBE participation, it is important to accurately measure and widely report the amount and percentages of business done with M/WBEs. An effective measurement system allows management to use the data to monitor the success of M/WBE efforts for the department as a whole as well as for specific divisions, units, regions, and individual procurement personnel.
- The process is more successful when vendors value M/WBE participation.
- Another successful strategy is using project by project goal setting which involves assessing the availability of viable minority and women-owned businesses whose products or services match the needs of a particular project. This customized approach is effective because it allows high goals to be set on projects whose needs match available M/WBEs and the flexibility of assigning lower goals to projects whose needs are not compatible with the availability of M/WBEs.
- M/WBE trade organizations, which provide a venue for M/WBEs with similar concerns and challenges to share successful experiences, promote business development and growth. M/WBE trade organizations can also foster opportunities for partnerships and collaborations. Missouri can gain access to trade organization membership and thereby increase the amount of state business done with minority and women-owned businesses.

Concerns

- Departments do not all view increased M/WBE participation as a critical goal for all of state government. Some agencies see it as the responsibility of OEO or the Office of Administration.
- One concern is the lack of available certified M/WBEs with the needed expertise in certain commodity areas and in certain geographic areas.
- Increasingly, there is a tendency to bundle or package bids for similar products/services/projects. This results in fewer opportunities for contractors and suppliers. Although these bundled bids do provide large opportunities for the contractors/suppliers that win them, many M/WBEs are too small to take advantage of these opportunities.
- The procurement policies and procedures of the state are highly sophisticated and complicated. Unknowingly, they sometimes act as a barrier to mainstream, small minority and women-owned businesses that do not have the resources to invest in their interpretation.
- Some minority and women-owned businesses might become involved in a contract for the purposes of increasing M/WBE participation, but in fact add no real value to the product or service being provided. Unnecessarily inflated prices might result.

Other Sources of Information

- State and local government M/WBE Program web sites
- St. Louis and Kansas City Minority Business Councils
- National Association of Women Business Owners

Data Table

| | 2000 | 2001 |
|--|-------|-------|
| Percent of state government purchases from Minority Business Enterprises | 3.66% | 5.63% |
| Percent of state government purchases from Women Business Enterprises | 4.02% | 5.24% |
| Percent of state government <u>operating</u> purchases from Minority Business Enterprises | 3.31% | 6.33% |
| Percent of state government <u>operating</u> purchases from Women Business Enterprises | 1.29% | 1.60% |
| Percent of state government <u>capital improvements</u> purchases from Minority Business Enterprises | 4.09% | 4.97% |
| Percent of state government <u>capital improvements</u> purchases from Women Business Enterprises | 7.45% | 8.66% |

Description of Measure

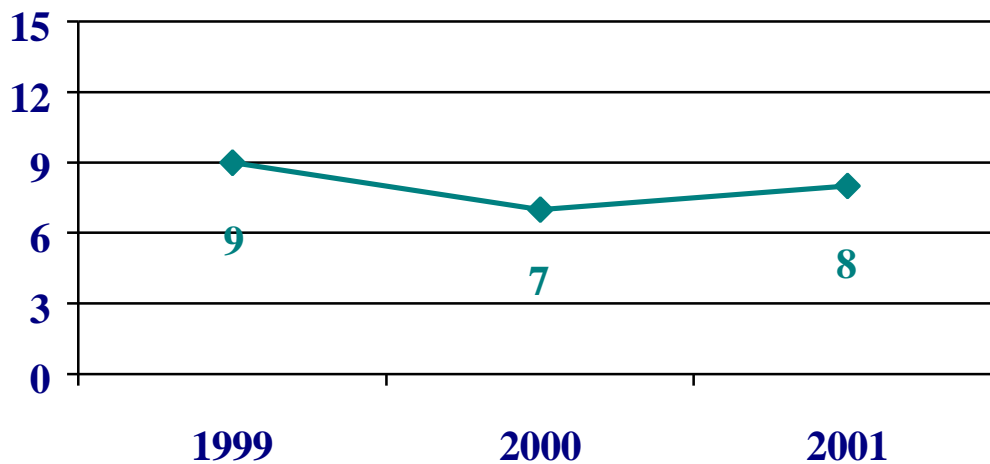
The percent of state purchases from Minority and Women Business Enterprises consists of two components: the percent of M/WBE operating expenditures and the percent of M/WBE capital expenditures. The percent of operating expenditures divides the total amount of operating expenditures to certified M/WBEs by the total amount of operating expenditures. Both the total M/WBE expenditures and the total operating expenditures exclude expenditures in object codes where there is no discretion in how funds are spent and therefore M/WBE expenditures are not controllable or possible. The percent of capital expenditures divides the total amount of capital expenditures to certified M/WBEs by the total amount of capital expenditures. Leasing expenditures as well as expenditures by elected officials and colleges and universities are not included in the participation percentages. Journal vouchers are also excluded.



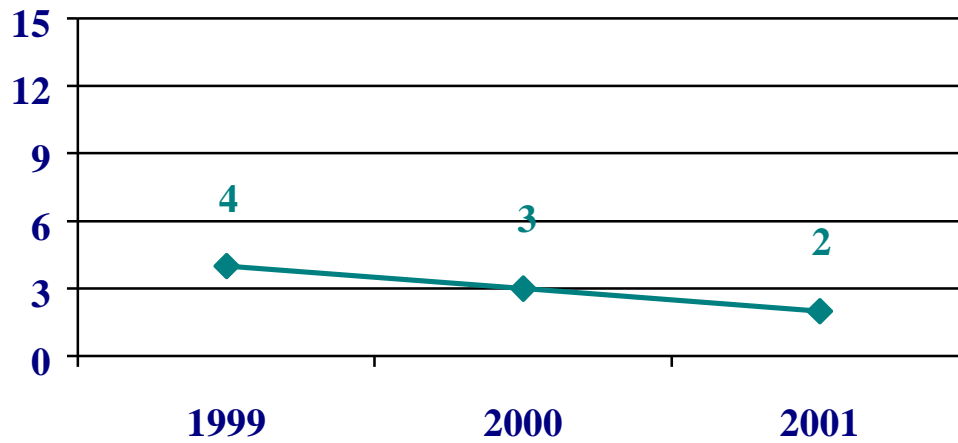
Key Objective:

Increase annually the percentage of minority and non-minority female employees in OA with salaries in the top quartile with the objective of reaching parity in employment

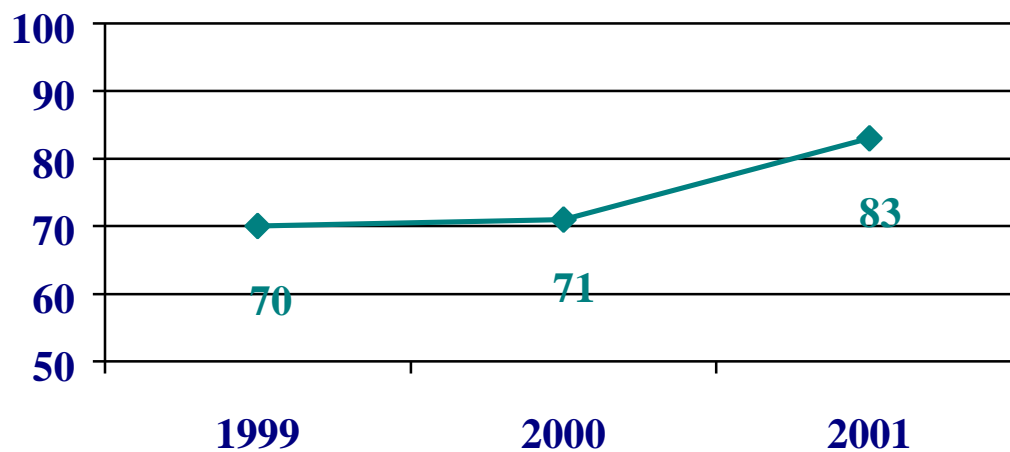
**Number of Black Minority Employees in
OA Earning in the Top Quartile**



Number of Other Minority Employees in OA Earning in the Top Quartile



Number of Non-Minority Female Employees in OA Earning in the Top Quartile



Why This Measure is Important

- Diversity in OA's top quartile positions provides a balanced perspective to its decision making.
- When citizens using OA services see diversity in its workforce, it increases the credibility and confidence in OA and in state government.
- OA should be an example for other state agencies and for other non-state employers.
- Achieving these objectives will put OA into compliance with its Affirmative Action Plan.
- Attaining this goal would affirm the value of all employees.
- Success will contribute to achieving the statewide goal of full participation for all citizens.

Data Table

| Number of Minority and Female Employees in OA Earning in the Top Quartile | | | | | | | |
|--|------------|-----------|-----------|-------------------------------|------|------|------|
| | Historical | | | Target (Under Development) | | | |
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Black Male | 7 | 6 | 5 | | | | |
| Black Female | 2 | 1 | 3 | | | | |
| Black Minority (Subtotal) | 9 | 7 | 8 | | | | |
| Other Minority Male | 2 | 2 | 1 | | | | |
| Other Minority Female | 2 | 1 | 1 | | | | |
| Other Minority (Subtotal) | 4 | 3 | 2 | | | | |
| Total Minority (Subtotal) | 13 | 10 | 10 | | | | |
| White Female | 70 | 71 | 83 | | | | |

Description of Measure

The number of minority and female OA employees earning in the top quartile is calculated by placing all OA employees in order by salary and then dividing those employees into approximately four quartiles based on salary (the divisions are not exact quartiles as multiple employees may make the same salary). This provides the number and names of employees in OA's top quartile. These employees are broken out by race and gender to determine the number of employees in each targeted group. All data are available from Sam II HR Data Warehouse.

Trend Analysis

- Most categories are stagnating. White females, however, have progressed rapidly and are nearly at parity.
- The data do not show the extent to which the lack of progress is from failure to hire versus failure to retain. Measure should include not just “net” numbers, but hires and terminations.
- Figures on hiring versus retention should help OA determine how to target most effectively.
- Since the numbers on white females have increased so dramatically, an analysis to determine how that growth occurred will be considered. Results of the analysis would yield comparative information to explain the lack of success in increasing minority percentages.

Factors Influencing the Measure

- There are relatively few top quartile positions that turn over and are available to be filled each year.
- Almost all of OA’s top quartile jobs are located in Jefferson City, while the largest pool of qualified minority and women candidates live in the larger metropolitan areas. Some of these candidates can’t be enticed to move to central Missouri.
- The salaries OA can offer aren’t high enough to persuade some minority and women candidates to relocate to Jefferson City from another area or to leave the private sector for a state job.
- The merit system, because of its bureaucratic obstacles and lack of pay flexibility, makes it more difficult to hire desired candidates.

What Works

- Holding hiring authorities (for diversity in new hires) and supervisors (for retention of minority and women employees) accountable is critical to achieving greater parity in OA employment. In order to do this, there must be strong support and encouragement from state government leadership, including the Governor and Commissioner.
- In order to hold hiring authorities and supervisors accountable for the level of diversity in their units, it is important to accurately measure and widely report the number and percentages of minority and women OA employees in the top quartile.
- The more competitive OA’s salaries are, the better chance the department has of attracting quality minority and women employees.
- Increased flexibility in hiring choices, salaries, and classifications of employees makes it easier to attract and hire minorities and women into top quartile positions.
- Mentoring programs have shown to be a good way to assist interested and qualified minority and women candidates in moving into progressively higher level positions. Mentoring minority and women employees currently in the 3rd quartile is particularly effective.
- The minority enhancement program, whereby minority employees who are not on the register can be hired provided they pass the examination or education and examination requirements during their probationary period, has excellent potential but has been underutilized.

Concerns

- Money – Given the tight budget situation, any kinds of salary enhancements are very unlikely.
- Employee equity issues – In helping minorities and women OA should not send a message that other employees are “less important.” This could lead to problems with employee morale.

Other Sources of Information

- www.workforce.com
- www.diversityinc.com
- www.hrexecutive.com
- www.governing.com

Key Strategies

- 🔑 Educate hiring authorities about flexibility to hire at pay levels within range so they can utilize the pay structure to best advantage
- 🔑 Educate supervisors on how to empower employees to succeed, and have third party rating of supervisors on how well they do this
- 🔑 Encourage utilization of the minority enhancement program
- 🔑 Implement a program to formally educate hiring authorities and supervisors on *all* these strategies
- 🔑 Implement a voluntary mentor program for all new hires – target minority and women employees especially
- 🔑 Institute reporting and accountability for each division
- 🔑 Communication to employees –this is a goal of the administration and the commissioner to help ensure cooperation
- 🔑 Analyze the growth in numbers of white females in the top pay quartile to determine whether it yields helpful comparative information
- 🔑 Analyze the data to better understand the nature of the problem – is the problem with hiring or retention or both?